

Installment Sale Income

► Attach to your tax return.
► Use a separate form for each sale or other disposition of property on the installment method.

2001Attachment
Sequence No. **79**

Identifying number

- 1 Description of property ►
- 2a Date acquired (month, day, year) ► / / b Date sold (month, day, year) ► / /
- 3 Was the property sold to a related party (see instructions) after May 14, 1980? If "No," skip line 4 . . . ☐ Yes ☐ No
- 4 Was the property you sold to a related party a marketable security? If "Yes," complete Part III. If "No," complete Part III for the year of sale and the 2 years after the year of sale . . . ☐ Yes ☐ No

Part I Gross Profit and Contract Price. Complete this part for the year of sale only.

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|----|---|----|--|
| 5 | Selling price including mortgages and other debts. Do not include interest whether stated or unstated | 5 | |
| 6 | Mortgages, debts, and other liabilities the buyer assumed or took the property subject to (see instructions) | 6 | |
| 7 | Subtract line 6 from line 5 | 7 | |
| 8 | Cost or other basis of property sold | 8 | |
| 9 | Depreciation allowed or allowable | 9 | |
| 10 | Adjusted basis. Subtract line 9 from line 8 | 10 | |
| 11 | Commissions and other expenses of sale | 11 | |
| 12 | Income recapture from Form 4797, Part III (see instructions) | 12 | |
| 13 | Add lines 10, 11, and 12 | 13 | |
| 14 | Subtract line 13 from line 5. If zero or less, do not complete the rest of this form (see instructions) | 14 | |
| 15 | If the property described on line 1 above was your main home, enter the amount of your excluded gain (see instructions). Otherwise, enter -0- | 15 | |
| 16 | Gross profit. Subtract line 15 from line 14 | 16 | |
| 17 | Subtract line 13 from line 6. If zero or less, enter -0- | 17 | |
| 18 | Contract price. Add line 7 and line 17 | 18 | |

Part II Installment Sale Income. Complete this part for the year of sale **and** any year you receive a payment or have certain debts you must treat as a payment on installment obligations.

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|----|---|----|--|
| 19 | Gross profit percentage. Divide line 16 by line 18. For years after the year of sale, see instructions | 19 | |
| 20 | If this is the year of sale, enter the amount from line 17. Otherwise, enter -0- | 20 | |
| 21 | Payments received during year (see instructions). Do not include interest, whether stated or unstated | 21 | |
| 22 | Add lines 20 and 21 | 22 | |
| 23 | Payments received in prior years (see instructions). Do not include interest, whether stated or unstated | 23 | |
| 24 | Installment sale income. Multiply line 22 by line 19 | 24 | |
| 25 | Enter the part of line 24 that is ordinary income under the recapture rules (see instructions) | 25 | |
| 26 | Subtract line 25 from line 24. Enter here and on Schedule D or Form 4797 (see instructions) | 26 | |

Part III Related Party Installment Sale Income. **Do not** complete if you received the final payment this tax year.

- 27 Name, address, and taxpayer identifying number of related party
- 28 Did the related party resell or dispose of the property ("second disposition") during this tax year? . . . ☐ Yes ☐ No
- 29 If the answer to question 28 is "Yes," complete lines 30 through 37 below unless one of the following conditions is met. Check the box that applies.
- a ☐ The second disposition was more than 2 years after the first disposition (other than dispositions of marketable securities). If this box is checked, enter the date of disposition (month, day, year) ► / /
- b ☐ The first disposition was a sale or exchange of stock to the issuing corporation.
- c ☐ The second disposition was an involuntary conversion and the threat of conversion occurred after the first disposition.
- d ☐ The second disposition occurred after the death of the original seller or buyer.
- e ☐ It can be established to the satisfaction of the Internal Revenue Service that tax avoidance was not a principal purpose for either of the dispositions. If this box is checked, attach an explanation (see instructions).
- | | | | |
|----|--|----|--|
| 30 | Selling price of property sold by related party | 30 | |
| 31 | Enter contract price from line 18 for year of first sale | 31 | |
| 32 | Enter the smaller of line 30 or line 31 | 32 | |
| 33 | Total payments received by the end of your 2001 tax year (see instructions) | 33 | |
| 34 | Subtract line 33 from line 32. If zero or less, enter -0- | 34 | |
| 35 | Multiply line 34 by the gross profit percentage on line 19 for year of first sale | 35 | |
| 36 | Enter the part of line 35 that is ordinary income under the recapture rules (see instructions) | 36 | |
| 37 | Subtract line 36 from line 35. Enter here and on Schedule D or Form 4797 (see instructions) | 37 | |